

## STATEMENT OF JUDY MEYERHOFF YALE

I am here today because I am victim of one of the most pernicious financial frauds in the history of U.S. investment firms.

We entrusted our funds to large reputable firms, SG Cowen and Lehman Brothers, with whom we thought our money would be safe. It was devastating to discover that our trust was betrayed. We trusted the system and it failed.

My husband and I have lost nearly all of our life savings. But even more crushing was the news about my family. My father was a self made man with an eighth grade education, who worked until he died at age 92. As a result of the wrongdoing of Cowen and Lehman, his entire life savings are gone. My mother who is now 87 years old is left to agonize over her future. My brother has lost his child's college fund.

How could this happen to my family?

The answer is, the complete and flagrant lack of internal controls at SG Cowen and Lehman Brothers. This reckless disregard of common practices of oversight left fertile ground for fraud to occur. From the accounts in the Wall Street Journal, Cleveland Plain Dealer and Chicago Tribune, the red flags were overwhelming.

The arrogance and greed of the companies involved in this disaster is appalling. They did not even notify us; we had to find out on our own. And, so far they have made no offers of restitution.

A few days ago I received a letter from a friend who read about our misfortune in the newspaper. I quote her here: "I long ago concluded that there is no one left in the business world that is honest . . . It really scares me that this is what our world has become. I hate to pick up the paper in the morning."

In conclusion, I ask you to restore confidence to the investing public by making reforms that empower and require the SEC, the NYSE, and the NASD to enforce their regulation of financial firms.

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Chicago, Illinois  
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